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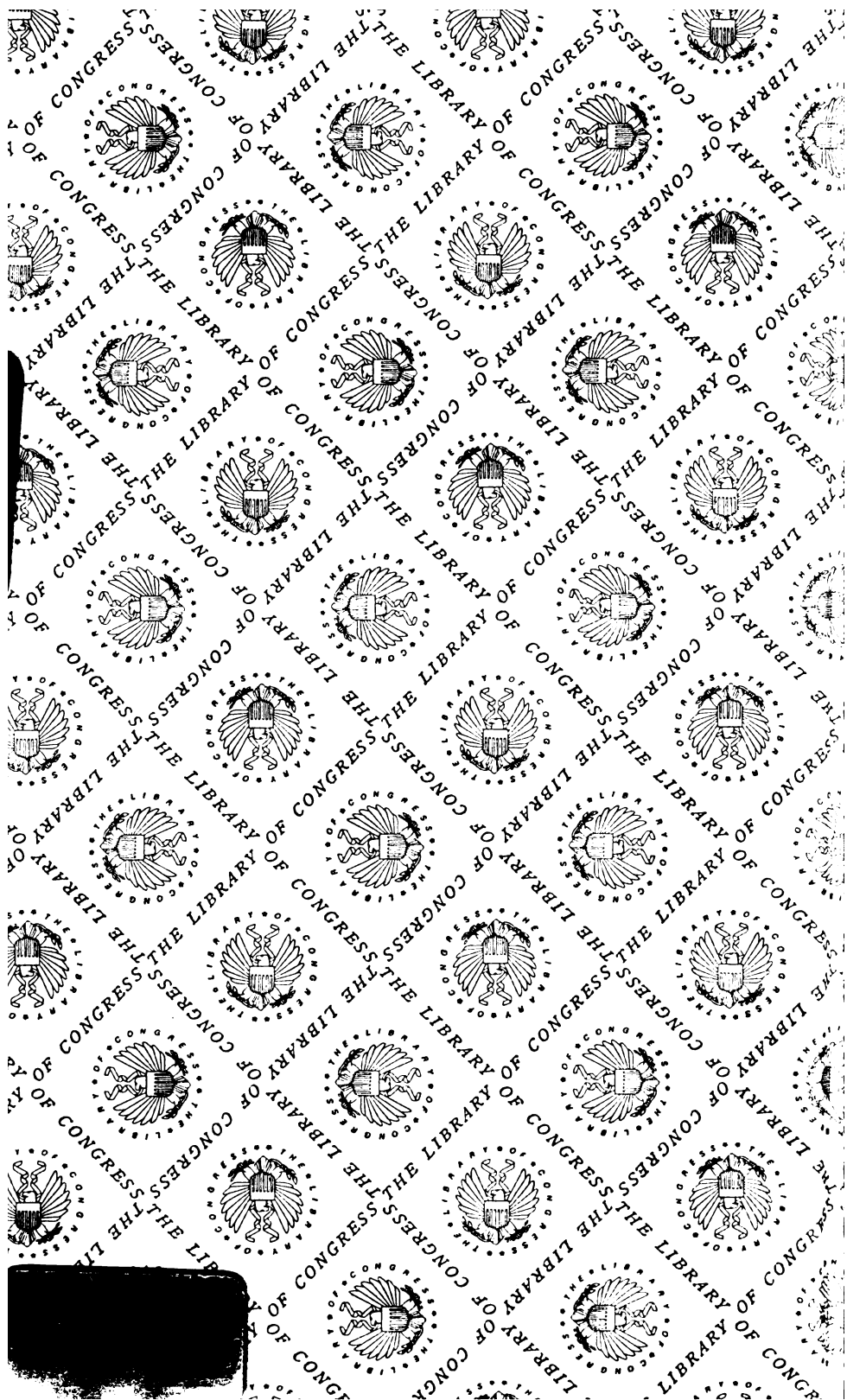
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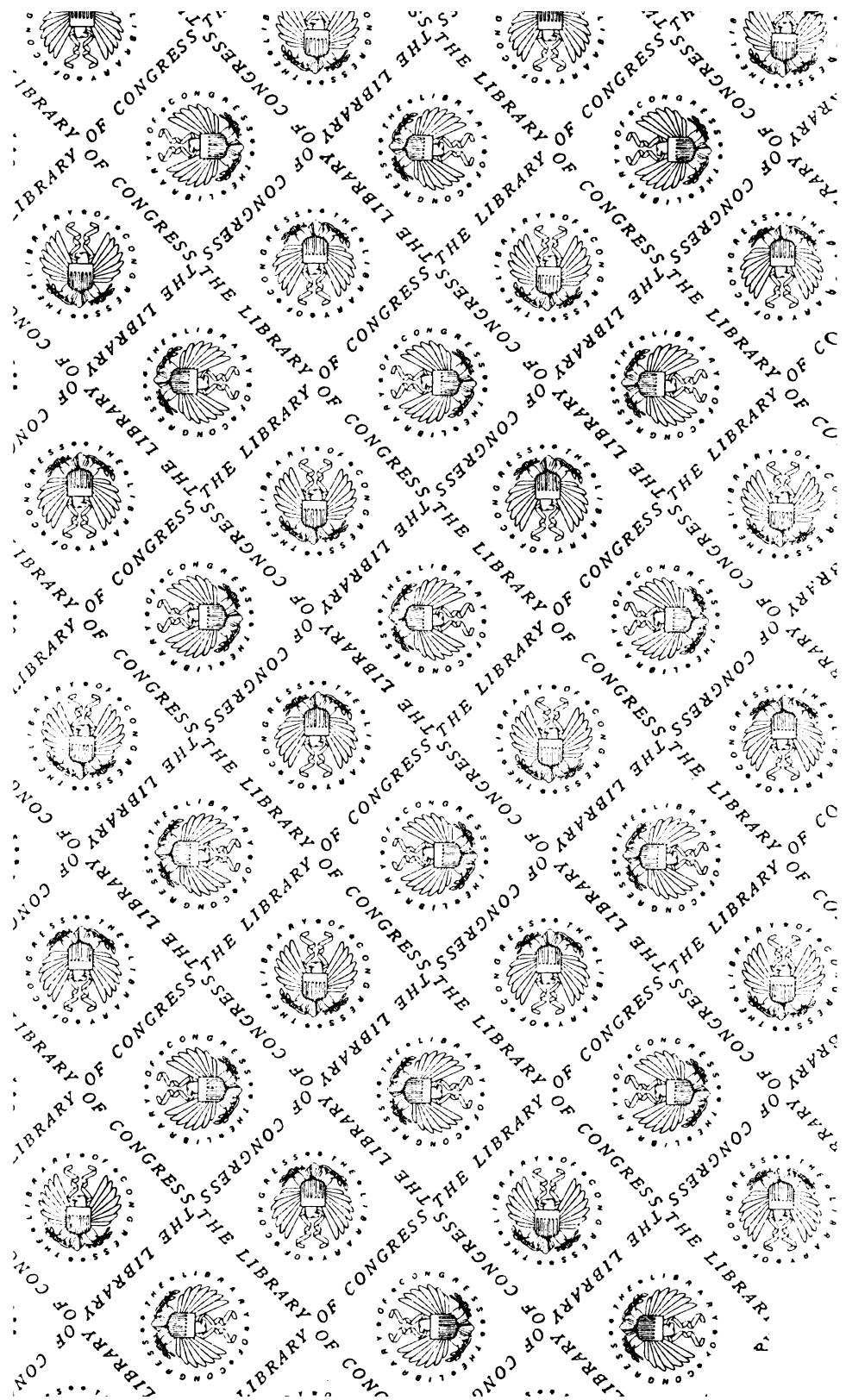
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**RECLASSIFICATION OF SALARIES OF EMPLOYEES OF
FIRST-CLASS POST OFFICES**

U. S. Congress, Senate, Committee on Post-Offices and
Roads. **HEARINGS**

BEFORE THE

**COMMITTEE ON POST OFFICES AND POST ROADS
UNITED STATES SENATE**

SIXTY-FOURTH CONGRESS

FIRST SESSION

ON

S. 4806

**A BILL TO RECLASSIFY THE SALARIES OF EMPLOYEES
ABOVE THE CLERICAL GRADES IN POST OFFICES
OF THE FIRST CLASS**

Printed for the use of the Committee on Post Offices and Post Roads



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GOVERNMENT PRINTING OFFICE
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RECLASSIFICATION OF SALARIES OF EMPLOYEES OF FIRST-
CLASS POST OFFICES.

TUESDAY, MAY 9, 1916.

UNITED STATES SENATE,
COMMITTEE ON POST OFFICES AND POST ROADS,
Washington, D. C.

The committee met in the committee room at the Capitol at 3 o'clock p. m., pursuant to call, Senator John H. Bankhead presiding. Present: Senators Bankhead (chairman), Martine, Hardwick, Townsend, Catron, Weeks, and Sterling.

Present also: Mr. Ernest Green, president of the National Association of Supervisory Post Office Employees, Baltimore, Md.; Mr. Henry Welch, jr., Chicago, Ill.; Mr. J. D. Holland, Boston, Mass.; and Mr. W. J. Parsons, Philadelphia, Pa.

The committee proceeded to consider the bill (S. 4806) to reclassify the salaries of employees above the clerical grades in post offices of the first class, which is as follows:

[S. 4806, Sixty-fourth Congress, first session.]

A BILL To reclassify the salaries of employees above the clerical grades in post offices of the first class.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That after July first, nineteen hundred and sixteen, the salaries of employees above the clerical grades in first-class post offices shall be based upon the gross annual receipts of the post offices in which they are employed, as follows:

The compensation of assistant postmasters shall be fifty per centum of the salary of the postmasters, graded in even hundred dollars, but assistant postmasters shall not be assigned to the duties of superintendent of mails, superintendent of delivery, or superintendent of finance in first-class post offices.

At post offices where the gross annual receipts are \$40,000 but less than \$60,000: Superintendent of mails, \$1,300; superintendent of finance, \$1,300.

At post offices where the gross annual receipts are \$60,000 but less than \$100,000: Superintendent of mails, \$1,400; superintendent of finance, \$1,400.

At post offices where the gross annual receipts are \$100,000 but less than \$150,000: Superintendent of mails, \$1,500; superintendent of finance, \$1,500.

At post offices where the gross annual receipts are \$150,000 but less than \$200,000: Superintendent of mails, \$1,600; superintendent of finance, \$1,600.

At post offices where the gross annual receipts are \$200,000 but less than \$300,000: Superintendent of mails, \$1,700; assistant superintendents of mails, \$1,500; superintendent of finance, \$1,700.

At post offices where the gross annual receipts are \$300,000 but less than \$400,000: Superintendent of mails, \$1,800; assistant superintendents of mails, \$1,600; superintendent of finance, \$1,800; cashier, \$1,600.

At post offices where the gross annual receipts are \$400,000 but less than \$500,000: Superintendent of mails, \$2,000; assistant superintendents of mails, \$1,700; superintendent of finance, \$2,000; cashier, \$1,700.

At post offices where the gross annual receipts are \$500,000 but less than \$600,000: Superintendent of mails, \$2,200; assistant superintendents of mails, \$1,800; superintendent of finance, \$2,200; cashiers, \$1,800.

At post offices where the gross annual receipts are \$600,000 but less than \$750,000: Superintendent of mails, \$2,400; assistant superintendents of mails, \$1,900; superintendent of finance, \$2,400; cashiers, \$1,900.

4 RECLASSIFICATION OF SALARIES OF POST-OFFICE EMPLOYEES.

At post offices where the gross annual receipts are \$750,000 but less than \$1,000,000: Superintendent of mails, \$2,600; assistant superintendents of mails, \$2,000; superintendent of finance, \$2,600; cashiers, \$2,000; bookkeeper, \$1,500.

At post offices where the gross annual receipts are \$1,000,000 but less than \$1,500,000: Superintendent of mails, \$2,800; assistant superintendents of mails, \$2,200; superintendent of finance, \$2,800; cashiers, \$2,200; bookkeeper, \$1,600.

At post offices where the gross annual receipts are \$1,500,000 but less than \$3,000,000: Superintendent of mails, \$3,000; assistant superintendents of mails, two grades—assistant superintendents of mails, \$2,400, assistant superintendents of mails, \$2,600; superintendent of finance, \$3,000; cashiers, \$2,400 and \$2,600; bookkeeper, \$1,800.

At post offices where the gross annual receipts are \$3,000,000 but less than \$5,000,000: Superintendent of mails, \$3,200; assistant superintendents of mails, three grades—assistant superintendents of mails, \$2,200, assistant superintendents of mails, \$2,400, assistant superintendents of mails, \$2,600; superintendent of finance, \$3,200; cashiers, \$2,600 and \$2,800; bookkeeper, \$2,000.

At post offices where the gross annual receipts are \$5,000,000 but less than \$10,000,000: Superintendent of mails, \$3,400; assistant superintendents of mails, three grades—assistant superintendents of mails \$2,400, assistant superintendents of mails \$2,600, assistant superintendents of mails \$2,800; superintendent of finance, \$3,400; cashiers, \$2,800 and \$3,000; bookkeeper, \$2,200.

At post offices where the gross annual receipts are \$10,000,000 but less than \$20,000,000: Superintendent of mails, \$3,600; assistant superintendents of mails, three grades—assistant superintendents of mails \$2,400, assistant superintendents of mails \$2,600, assistant superintendents of mails \$2,800; superintendent of finance, \$3,600; cashiers, \$2,800 and \$3,000; bookkeeper, \$2,400.

At post offices where the gross annual receipts are \$20,000,000 and over: Superintendent of mails, \$3,800; assistant superintendents of mails, three grades—assistant superintendents of mails \$2,600, assistant superintendents of mails \$2,800, assistant superintendents of mails \$3,000; superintendent of delivery, \$3,800; assistant superintendents of delivery, three grades—assistant superintendents of delivery \$2,600, assistant superintendents of delivery \$2,800, assistant superintendents of delivery, \$3,000; superintendent of finance, \$3,800; cashiers, \$2,800, \$3,000, \$3,200; bookkeeper, \$2,400; chief clerk, \$3,000; auditor, \$3,400.

Provided, That there be employed at first-class post offices, foremen, and stenographers, at a salary of \$1,300 or more per annum, the total number at any post office not to exceed: One at \$1,300 for each \$75,000 receipts; one at \$1,400 for each \$150,000 receipts; one at \$1,500 for each \$300,000 receipts; one at \$1,600 for each \$500,000 receipts; one at \$1,700 for each \$750,000 receipts; one at \$1,800 for each \$1,000,000 receipts; one at \$1,900 for each \$2,000,000 receipts; one at \$2,000 for each \$3,000,000 receipts.

STATION SUPERINTENDENTS.

Station and branch station superintendents shall be divided into fourteen classes whose compensation shall be in even hundreds of dollars from \$1,300 to not exceeding \$2,600 per annum in accordance with the following plan:

When the receipts of a carrier station do not exceed \$5,000 per annum, the superintendent shall have a credit of three points, and for each additional \$5,000 in receipts he shall have a credit of one additional point.

For not exceeding three employees (clerks and carriers, city and rural) employed at the carrier station, the superintendent shall receive a credit of one point, and for each multiple of three employees he shall receive a credit of one point.

That when the receipts of a noncarrier station do not exceed \$5,000 per annum, the superintendent shall have a credit of three points, and for each additional \$30,000 in receipts he shall receive a credit of one point.

Superintendents of noncarrier stations shall receive for not exceeding three employees a credit of one point, and for each multiple of three employees, one point.

The salaries to be based and graded as per the following table:

When a superintendent has a credit of not exceeding four points, his salary shall be \$1,300 per annum; over four and not exceeding six points, \$1,400 per annum; over six and not exceeding eight points, \$1,500 per annum; over eight and not exceeding twelve points, \$1,600 per annum; over twelve and not exceeding seventeen points, \$1,700 per annum; over seventeen and not exceeding twenty-three points, \$1,800 per annum; over twenty-three and not exceeding thirty points, \$1,900 per annum; over thirty and not exceeding thirty-eight points, \$2,000 per annum; over thirty-eight and not exceeding forty-seven points, \$2,100 per annum; over forty-seven and not exceeding fifty-seven points, \$2,200 per annum; over fifty-seven and not exceeding

sixty-eight, \$2,300 per annum; over sixty-eight and not exceeding eighty points, \$2,400 per annum; over eighty and not exceeding ninety-five, \$2,500 per annum; over ninety-five, \$2,600 per annum.

That the salaries of assistant superintendents of stations shall be approximately ninety per centum of the salary of the station superintendent in even hundreds of dollars.

That in post offices and stations where unusual conditions exist the Postmaster General may provide for the payment of salaries to the employees performing the service the same salary as is herein provided for employees in similar grades in post offices and stations of a higher grade.

That in post offices where there is more than one grade of salary for assistant superintendents and only one official is designated under such title he shall receive the maximum salary.

That because of the reclassification plan herein provided no employee shall receive less salary than before the passage of this act.

That the provisions of this act shall not apply to classified excepted employees in charge of stations.

All acts or parts of acts in conflict with the foregoing are hereby repealed.

The CHAIRMAN. The committee will come to order. You may proceed, Mr. Green.

**STATEMENT OF MR. ERNEST GREEN, PRESIDENT OF THE
NATIONAL ASSOCIATION OF SUPERVISORY POSTOFFICE
EMPLOYEES, BALTIMORE, MD.**

Mr. GREEN. Mr. Chairman and gentlemen, on behalf of the National Association of Supervisory Post Office Employees we beg to submit for your most earnest consideration Senate bill 4806, introduced by Hon. George T. Oliver, which provides for the reclassification of titles and salaries of supervisors in first-class post offices, and is based on the gross receipts of each office and not on the percentage of salaries of postmasters, as at present.

This association was organized for the purpose of promoting the best interests of the Postal Service by raising its standard of efficiency and to recommend the establishment of uniform, modern, economical business methods in order to place the service on the most efficient basis. It is composed of assistant postmasters, superintendents, cashiers, auditors, assistant superintendents, and heads of subdivisions and superintendents of post-office stations in local post offices throughout the country having supervision over the clerical and city carrier forces and a number of rural carriers.

The measure under which our salaries are now regulated was enacted into law in 1889, over a quarter of a century ago, when the receipts of the Post Office Department were approximately \$58,000,000, or about one-fifth the present receipts.

We beg to submit that we represent the only branch of the Postal Service which is not enjoying the benefits of a modern and equitable reclassification measure.

The bill which we present for your consideration is somewhat similar to that recommended by the Post Office Department in the general appropriation bill last year and which passed both houses of Congress, but which failed of final passage in the closing days of the session. Since its introduction, however, there have been some modifications in that special provision has been made by the House Committee on Post Offices and Post Roads, upon the recommendation of the department, for special clerks receiving salaries of \$1,300 and \$1,400 per annum, and who are not regarded as supervisory

post-office employees. A similar measure was also recommended by the department this year.

It has been apparent for many years that owing to lack of proper classification and compensation the supervisory employees in different offices throughout the country are not equitably paid. In some instances supervisors in one office are paid a sum more or less than is received by an employee performing identical service in another office. There also appears to be lack of uniformity in the titles assigned at the various offices for similar grades of work; for instance employees who inspect or test carriers' routes are known as roundsmen, examiners of stations, field men, foremen of carriers, assistant superintendents of delivery, etc., and in many offices their salaries differ, although effort is being made by the department to correct these inconsistencies. Many postmasters in order to give increased compensation to deserving employees must of necessity resort to subterfuge by applying titles entirely foreign to the duties performed. In many offices supervisory employees, and especially the station superintendents, have been receiving and still are in receipt of the same compensation as that paid to the men whom they supervise, notwithstanding the fact that their financial responsibilities are greater, due to the transaction of money order, registry, parcel-post business, the sale of postal goods, and the supervision of large numbers of clerks and carriers. They are also required to furnish larger bond by reason of such financial responsibility.

The bill proposed offers a businesslike plan of compensation, as it provides for salaries proportionate to the volume of business transacted at each office and station and the number of employees under their supervision. At the present time there does not appear to be any definite, fixed method of arriving at the salary to which a station superintendent is entitled. Under the bill proposed his compensation will be regulated by the amount of business transacted and the number of men employed and will render it impossible for a postmaster to give the superintendent having the maximum receipts the minimum salary, and vice versa. At the present time a superintendent of division may receive a salary not exceeding a certain percentage of the salary of the postmaster, but in many instances the maximum salary provided is not given.

Under the proposed bill the salary will go with the title. The bill, if enacted into law, will provide reasonable compensation and at the same time remedy many of the inequalities, in salary and designation, which now exist. In the bill all unnecessary titles are eliminated. The measure does not provide for an increase for every supervisor, as in many instances they are receiving the maximum salary to which they would be entitled under the proposed legislation. Upon examination it will be observed that under the proposed bill many supervisors will receive reasonable increases, ranging, as far as can be determined, from 10 to 17 per cent in salary. While the maximum salary provided under the station plan is \$2,600, it is safe to assume that only a very few stations in the larger offices would receive the maximum, possibly not over 8 or 10. The inadequate salaries paid station superintendents is better demonstrated when it is shown that they are receiving salaries ranging from \$1,400 to \$2,000 per annum whereas postmasters at first class offices with similar receipts and responsibilities are receiving from \$2,500 to \$5,000.

The supervisory employes have accomplished a great deal for the service and many improvements which have been made upon their recommendation has resulted in better service and at the same time has effected a considerable saving in money. This statement is borne out by the reports of the various Postmasters General for several years and who have from time to time expressed their appreciation of the work performed by them and have recommended increases from year to year which has somewhat ameliorated the existing conditions.

It is only reasonable to ask that an employee, holding a supervisory position requiring technical knowledge and more responsible duties, may be assured of a fair compensation for services rendered, by the enactment of a mandatory law. The supervisory force throughout the country, as well as the clerical and carrier force, is vitally interested in the passage of this measure and of which we ask your earnest consideration.

Gentlemen, I would like to say just briefly that since the introduction of the Oliver bill there has been one or two amendments, particularly that referring to special clerks. That has been taken out of our bill. We would like to amend that, and I have a copy of the amended bill here.

Now, I have with me representatives from the large cities—Chicago, Philadelphia, and Boston—and we would be glad to answer any questions or give you any information that you may desire.

Senator HARDWICK. You had better put your amendment in the hearing.

Mr. GREEN. Yes, I will do that. There are only two corrections. Now, on page 5, line 7, we provide that there shall be employed at first-class post offices supervisory clerks and foremen. We have eliminated the stenographers and special clerks and the graded scale of increases for \$1,300 and \$1,400. They have been provided for in another manner. We have substituted the title of supervisory clerks, which is intended to cover the present titles of finance clerks, examiners of stations, chief stamp clerks, and stenographers.

Senator WEEKS. Where do you live, Mr. Green?

Mr. GREEN. At Baltimore, Md.

Senator WEEKS. What position do you hold?

Mr. GREEN. I have the title of superintendent of delivery. There are about 700 employees in the delivery division.

Senator WEEKS. How many men have you under your charge?

Mr. GREEN. Thirty-five in the finance division, to which I am at present assigned.

Senator WEEKS. How much bond do you have to give?

Mr. GREEN. \$5,000.

Senator WEEKS. Do you pay for that yourself?

Mr. GREEN. Yes, sir.

Senator WEEKS. What salary do you receive?

Mr. GREEN. \$2,700.

Senator WEEKS. Does that compare favorably with the salaries paid to superintendents of delivery in other cities?

Mr. GREEN. Yes, sir. That is a percentage of the salary of the postmaster. That is regulated by Congress—45 per cent.

Senator HARDWICK. Now, Mr. Green, you are urging this as a separate proposition. It has nothing to do with the Post Office appropriation bill.

Mr. GREEN. We hope to have this measure included in the general Post Office appropriation bill. I might say there is very little difference between this bill and that recommended by the department, except that we have made a little change in the station points, which gives a fixed, definite method of arriving at the salaries of the superintendents, which does not exist at the present time, as I have stated, and we have simply modified the points. There is a little difference in our points to enable officers stationed in the large offices, like New York and Chicago, to receive increased salaries. We have a superintendent of a station here, Mr. Welch, who is in charge of a Chicago station that has paid the same salary, \$2,000, practically 20 years. There has been no increase whatsoever.

I would like to say Mr. Welch, chairman of one of our committees from Chicago, has some data that he would like to submit to you on the station plan. We are particularly interested in our station superintendents. The majority of our membership is composed of that class of employees, and they certainly are inadequately paid at the present time.

The CHAIRMAN. We will be glad to hear Mr. Welch.

STATEMENT OF MR. HENRY WELCH, JR., OF CHICAGO, ILL.

Mr. WELCH. Mr. Chairman and gentlemen, I am prepared to answer questions if there are any that you would like to ask.

The CHAIRMAN. We would like to have you state your case, and then we will ask you questions.

Senator TOWNSEND. This matter is not in the appropriation bill as it came from the House, is it?

Mr. WELCH. It is not.

Senator HARDWICK. It is a separate bill entirely from the Post Office appropriation bill.

Mr. WELCH. It is a separate bill entirely. We thought that possibly we would be able to get it in as an amendment, and I hope we may be successful.

Senator WEEKS. What is your position?

Mr. WELCH. Superintendent of a post-office station, Chicago, Ill.

Senator WEEKS. How many men do you have under you?

Mr. WELCH. Eighty-seven.

Senator WEEKS. How long have you been a superintendent?

Mr. WELCH. Thirteen years.

Senator WEEKS. How much salary do you receive?

Mr. WELCH. \$2,000. I have been in the service over 32 years, but I have been a superintendent only 13 years.

Senator WEEKS. How much bond do you give?

Mr. WELCH. \$6,000.

Senator WEEKS. Do you pay the premium yourself?

Mr. WELCH. Yes, sir; \$6 a year.

Senator WEEKS. You have had that salary ever since you have been superintendent?

Mr. WELCH. No, sir; I have had \$2,000 salary for the past five years. However, the station has paid \$2,000 salary for more than 20 years.

Senator WEEKS. How much business do you do at the station?

Mr. WELCH. The stamp sales amounted to \$230,000 a year. That is considered the business of the station. Then we do \$210,000 worth of business in money orders sold. We also have a large number of depositors in the postal-savings bank.

Senator WEEKS. What do you do with your receipts daily?

Mr. WELCH. We remit to the postmaster each day, just before the close of business, the receipts from postal savings, stamps, and money orders.

Senator TOWNSEND. Have you taken these matters up with the Postmaster General?

Mr. WELCH. Not directly.

Senator TOWNSEND. He has not made any recommendation?

Mr. WELCH. Yes; the department did make a recommendation this year pretty much along the lines of this bill, with the exception that they did not include assistant postmasters, while this bill provides for the retention of assistant postmasters.

Senator HARDWICK. They want to abolish assistant postmasters, do they not?

Mr. WELCH. The department evidently does, by their recommendation. Practically the only difference in the department's bill and that introduced by Senator Oliver is the station plan, which is a little different in the scale and range of points.

Senator TOWNSEND. What do you mean by "range of points?"

Mr. WELCH. The bill provides here for the first \$5,000 of receipts the superintendent shall receive three points and one point for each additional \$5,000 of receipts. For the first three employees he receives one point and for each multiple of three he receives one additional point. Then, a certain number of points provides for a certain salary.

Senator CATRON. What do you mean by points?

Mr. WELCH. The term "point" is used to indicate a measure of responsibility, covering financial receipts and employees supervised.

Senator WEEKS. Suppose you sold \$60,000 worth of stamps and had 30 employees under you. What would your salary be?

Mr. WELCH. That would be \$1,900.

Senator WEEKS. That is within \$100 of what you are getting and you do four times that amount of business and have three times the number of employees under you?

Mr. WELCH. Yes, sir.

Senator HARDWICK. What would you get under this scale?

Mr. WELCH. Under this scale I would get \$2,300—\$300 more than the position paid 20 years ago.

Senator HARDWICK. What would be the total effect of that on the operation of the Post Office Department? How much would that make in addition?

Mr. WELCH. In the Chicago office it provides for a 16 per cent increase for the entire station force.

Senator HARDWICK. I mean, taking the country as a whole.

Mr. WELCH. It will average about 17 per cent, as nearly as we can figure it.

Senator HARDWICK. You mean on the total expense of operating the Post Office Department.

10 RECLASSIFICATION OF SALARIES OF POST-OFFICE EMPLOYEES.

Mr. WELCH. No; that is on the station plan. The bill, as nearly as we can estimate it with the figures at hand, make approximately 18 per cent increase for the payment of supervisory employees in the proposed bill.

Senator HARDWICK. On what amount? What lump sum? What is the total amount spent for this class of employees?

Mr. WELCH. Well, I can not answer as to the lump sum. You would have to get that from the department. The figures are not available to this organization.

Senator HARDWICK. You do not know what the effect would be; how much more in dollars and cents that would cost the United States?

Mr. WELCH. We would have to get that from the department. I would say it would not exceed \$500,000.

Senator WEEKS. Now, take the Chicago office—how much would it amount to?

Mr. WELCH. I haven't got that in dollars and cents. I have only got it in percentages.

Senator TOWNSEND. What do you base your percentage on? How do you get your percentage?

Mr. WELCH. We figured that up by the salaries. We totaled the present salaries and the proposed salaries and then figured the percentage of increase.

Senator WEEKS. What is the difference between those two?

Mr. WELCH. An increase of \$12,400 to cover the 50 Chicago stations, or 16½ per cent.

Senator WEEKS. That isn't worth one-eighth of 1 per cent to us. You had better get that and put it into the hearing.

Mr. WELCH. I could figure on the Chicago office, but I could not figure on all the offices throughout the country. The department would have to do that.

Senator WEEKS. Well, give it for the Chicago office.

Senator TOWNSEND. What is your basis for believing that you ought to have 16½ per cent more than your present salary? How do you reach that? What do you base it on?

Mr. WELCH. It ranges from 5 to 20, and the average would be 16½ per cent increase for the Chicago stations.

Senator HARDWICK. Your increase would be just about an average?

Mr. WELCH. Yes. We are now working under a classification passed 27 years ago. In that time the cost of living has increased considerably, and with the added features such as postal-savings bank, parcel post, and C. O. D. in connection with the parcel post, the duties are far greater, and there are a great many more details to take care of. There is a larger force and a greatly increased amount of business in that time.

Senator STERLING. The hours are just the same, are they; only you have more duties?

Mr. WELCH. No; the hours are better than they were. When this law went into effect we were working 12 to 14 hours a day at times, where now we do not work to exceed eight and a half hours except during rush periods, such as the holiday season, when it is sometimes necessary to work as much as 12 hours, for which we get no compensatory time. Then there are more details to look after now. We have employees working now on an 8-hour schedule within a 10-hour

period, which requires much closer supervision. It requires closer supervision to get the same amount of work out of the employees in an 8-hour period than it did when we were working, 10, 11, or 12 hours.

Senator TOWNSEND. In my own mind I haven't any doubt about the fact that probably you ought to have more money, but what I am anxious to know is how much more you ought to have. What is the basis for it? You say 16 per cent. How do you get 16 per cent? Why not 20 per cent? Why not 12 per cent?

Mr. WELCH. We just figured it out, what would be in our estimation a fair average increase by the table here, for the total number of employees. That is how we arrived at that basis, find what they are getting at the present time and what that percentage of increase would be. There are some stations here that get no increase whatever.

Senator MARTINE. What is your salary now?

Mr. WELCH. \$2,000.

Senator CATRON. Why is it some of those stations would not get any increase?

Mr. WELCH. Because by force of circumstances and changes in assignment they are reasonably well provided for in this way at the present time by comparison. We want this system in order to eliminate inequalities. For instance, there may be a vacancy at a station paying a maximum salary of \$2,000, and the postmaster is privileged under the present system to assign a \$1,200 man there without any increase in salary. He has the power to assign a man with the maximum salary to a place where the minimum amount of business is transacted and the minimum number of men are employed. The proposed legislation would regulate the salary. The salary goes with the job, in other words.

Senator HARDWICK. How did you fix on that particular scale of three points?

Mr. WELCH. By a careful analysis of the present compensation received for a given amount of postal receipts.

Senator TOWNSEND. What would we say about that if that matter was brought up in the Senate? Suppose I wanted to champion that, and half a dozen Senators rose at the same time to ask me some question about it, how could I answer that?

Mr. WELCH. We figured the relative responsibility to the amount of receipts and the number of employees. The financial receipts and the number of employees usually indicates the amount of business transacted. If the business was not there and there was no necessity for that number of employees, certainly they would not have them. The receipts indicate the amount of business transacted, and we figured it out as clearly as we could that the responsibility for the handling a certain amount of business and supervising a certain number of employees were about equal, one point for each \$5,000 of receipts above the first \$5,000 and one point for each three employees.

Senator HARDWICK. I think maybe I can explain that. You took some place—we will say yours, for illustration—and figured what would be the reasonable increase for the salary, and then you went to the receipts and said how many points on that amount of receipts it would take to make that salary. Is that it?

Mr. WELCH. Not exactly. In order to equitably provide for the smaller stations, three points were allowed for not exceeding the first \$5,000 receipts and one point for not exceeding the first three employees.

Senator HARDWICK. I don't know how you got three points unless you did do something like that.

Mr. WELCH. We figured about 30 different cities.

Senator HARDWICK. But that must have been the system you started with.

Mr. WELCH. We estimated what we thought would be a fair increase in salary and the system employed works out equitably, or about 15 per cent.

Senator HARDWICK. Then you had to make a basis that would make 15 per cent applied to these things?

Mr. WELCH. Now we have in Chicago seven stations that are not paying as much salary as they paid several years ago. That is due to changes in assignment and conditions existing at present.

Senator HARDWICK. How does this three-point system apply to them? Does it increase them?

Mr. WELCH. It puts them where they belong in proportion to the other stations, for the reason that there is no method of apportioning those salaries at the present time. For instance, Carpenter Station many years ago paid \$2,000. At present it pays \$1,700, although the business has more than trebled and the number of employees has more than trebled. This is only one of several cases.

Senator CATRON. How many more stations are there in Chicago than there were 17 years ago?

Mr. WELCH. There are about 15 more carrier stations now. At the present time we have 47 carrier stations and 3 noncarrier stations.

Senator WEEKS. The fact is, these stations have been established, very many of them in the last few years, and the Postmaster General or the First Assistant has allowed any salary which he cares to within some kind of reasonable limit, and frequently he has been governed by the resources that he has had at hand. If he did not have money enough he would allow the man \$1,400, when perhaps he ought to have had \$1,600. Isn't that so?

Mr. WELCH. Yes, sir.

Senator WEEKS. That is just the way the pay has been arranged for superintendents of stations.

Mr. WELCH. Yes, sir; there has been no fixed system or method.

Senator TOWNSEND. Does your organization comprise assistant postmasters?

Mr. WELCH. Yes; there are some assistant postmasters in the organization, and they are provided for in this bill.

Senator TOWNSEND. Their salaries are based on the salary of the postmaster?

Mr. WELCH. They receive 50 per cent of the postmaster's salary.

Senator TOWNSEND. How are you affecting that by this bill?

Mr. WELCH. The bill provides that the compensation of assistant postmasters shall be 50 per cent of the salary of the postmasters, graded in even hundred dollars, but assistant postmasters shall not be assigned to the duties of superintendent of mails, superintendent of delivery, or superintendent of finance in first-class post offices.

The assistant postmasters are already provided for in the post office appropriation bill.

Senator HARDWICK. How much is their salary?

Mr. WELCH. Fifty per cent of the postmaster's salary.

Senator HARDWICK. That is the present law. It doesn't change that at all.

Mr. WELCH. No.

Senator HARDWICK. Who are the people that this bill would benefit if it passed? Just the station agents?

Mr. WELCH. No; it would benefit all supervisory employees up to the grade of assistant postmasters.

Senator WEEKS. Just put in the record who they are.

Mr. WELCH. That will be division superintendents, assistant superintendents of division, auditors, cashiers, assistant cashiers, finance clerks, bookkeepers, station examiners, chief stamp clerks, foremen, stenographers, and station superintendents.

Senator HARDWICK. What is the object of putting assistant postmasters in the bill at all, if it does not change them?

Mr. WELCH. Well, a good many of them are members of our organization, and there was a disposition to displace some of our officials by eliminating the position of assistant postmasters and assigning them to supervisory positions.

Senator HARDWICK. The Post Office Department recommended the abolition of assistant postmasters and the substitution of them for two of these supervisory officials.

Mr. WELCH. They were to displace our superintendents of money orders and give them the title of superintendents of finance.

Senator HARDWICK. And you have got in this bill a statement that the assistant postmasters are not to discharge the duties of these offices that they provide.

Mr. WELCH. Yes, sir.

Senator HARDWICK. I see it now.

Senator TOWNSEND. Could the assistant superintendent in some post offices perform some of these extra duties as well as not?

Mr. WELCH. Yes; we are providing for that.

Where the present law provides for five divisions throughout the country in all first-class post offices, this bill provides for only two divisions in all first-class offices with receipts of less than \$20,000,000 and three divisions above \$20,000,000 receipts, which covers only New York and Chicago. At present the law provides a five-division plan, but it is not in operation in all offices. There are something like 250 offices where the two-division plan has been substituted for the five-division plan.

Senator TOWNSEND. Without authority of law?

Mr. WELCH. It was put in operation by the Post Office Department.

Senator HARDWICK. Well, as a matter of administration they had that much authority.

The CHAIRMAN. Are there any other questions you want to ask Mr. Welch?

Mr. WELCH. I will be glad to answer any further questions.

The CHAIRMAN. If there are no other questions, you may stand aside.

Now, who else have you?

Mr. GREEN. I would like to present Mr. Holland, of Boston. He has some concrete cases which he desires to bring to the attention of this committee.

STATEMENT OF MR. J. D. HOLLAND, BOSTON, MASS.

Mr. HOLLAND. Mr. Chairman, I am superintendent of the West Roxbury station in Boston. I have been in the service 25 years. I happened to be fortunate enough to be president of the National Association of Letter Carriers and was down here in 1907. Upon returning home I was made superintendent of the station at a salary of \$1,200, the same as a letter carrier. I have been there eight years now and am getting \$1,400, after 25 years of service.

Now, the idea of this bill—I want to say to the committee that it would not affect me at all, but this point business is arrived at in this way: For instance, I am located in the growing section of West Roxbury, which Senator Weeks knows, and as the place grows around me and the population increases and the receipts increase and I get more money, I will gain a point if I get three men. If I have 12 and I get 15, I gain a point. If my receipts increase \$5,000, I will gain a point. In that way I will get \$100 increase in salary. That is possible under this bill. We have specific instances in our district, through no fault of the postmaster or anybody else, where a man assigned to the station gets \$1,400; for instance, in Dorchester recently a superintendent was appointed there to a place that paid before he took it \$1,600 or \$1,700, I am not sure which. This man died, and the man who took the position received \$1,400.

This bill would make it so that the man who was appointed to the station would get the salary that went with the station.

We have a case, for instance, in Walliston—I suppose you gentlemen are familiar with the fact that we have a radius of 200 square miles in Boston and eighty-odd stations. It takes in several municipalities outside of the Boston postal district, all under one postmaster. The outside stations get \$1,600 a year. In town some of them do not get so much. The system has grown up and it has been left absolutely to the department. Under this bill no one would be hurt, and it would help everybody, because it would make it possible for a man when he gets a position to get the salary that goes with it, and I think it does away with the inequalities that now exist.

I have been in the service 25 years, and promotions are slow, few, and far between, and where a man does get a promotion he gets the responsibility of being a superintendent, and he ought to have a salary in keeping with the responsibility. I might call your attention to this fact. Right adjoining me is the town of Dedham. I believe they have seven letter carriers and three or four clerks. The postmaster gets \$2,700 a year, and I am going to venture the assertion that he does no more business than I. I am called the superintendent of the station of West Roxbury and I get \$1,400 a year. Of course he is a presidential postmaster.

We are not asking for that amount of salary, because the responsibility is certainly not as great as that of a postmaster, but we believe if the provisions of this bill were put in operation it would do away with a lot of the inequalities, and as I said a while ago, if a man was assigned to an \$1,800 station he would get \$1,800, not \$1,400. As

the custom now prevails, if a man getting \$1,800 a year dies, his successor might get \$1,400 and the rest of the money would be distributed among other employees. Under this bill if a man is appointed to that station and it paid \$1,800 or \$2,200, he would get the salary paid his predecessor. That is all we are asking for, and I am speaking from the standpoint of the station superintendent.

Now I will be glad to answer any questions you gentlemen may wish to ask me.

Senator WEEKS. What is the difference between your duties and the duties of the postmaster, the postmaster at Dedham, for instance? What does he do that you do not do?

Mr. HOLLAND. I do not know of a single thing, Senator.

Senator WEEKS. He is responsible for some money.

Mr. HOLLAND. So am I.

Senator WEEKS. You are responsible during the day, but he is responsible for a longer time.

Mr. HOLLAND. Well, I am bonded. I am bonded only for \$1,500.

Senator WEEKS. How many stamps are you responsible for?

Mr. HOLLAND. I am responsible for \$1,000 worth of stamps.

Senator WEEKS. How many is he responsible for?

Mr. HOLLAND. He is probably responsible for \$2,000 or \$3,000.

Senator WEEKS. How many carriers have you under you?

Mr. HOLLAND. Eleven.

Senator WEEKS. Four more than he has.

Mr. HOLLAND. I think four more.

Senator WEEKS. I think you are right about that.

Mr. HOLLAND. I have 11 carriers and 4 clerks. A postmaster of the city the size of West Roxbury would be a presidential office. As a superintendent, I am obliged to sort letters and help the carriers get out, sell stamps, and do general work. I am obliged to do the same work as the clerks, and in many instances the superintendents do not get any more salary than the clerks. You will find chief clerks in offices getting \$1,300 and \$1,400.

I want to call the attention of Senator Weeks to the city of Everett, a city of 90,000 people, a good-sized city. The superintendent of Everett has, I think, 40 to 50 employees, at least, and he gets \$1,400, no more than I do, although he is entitled to a whole lot more than I am getting, in my estimation. These are conditions which we are trying to remedy.

I might say, gentlemen, that the bill that was passed by Congress last year provided for these conditions in a way, but not as liberally as we asked for. Our proposition brings the superintendent of a station like Essex in Boston, that does a business, I should say, of approximately a million dollars a year—next to the central office, and he gets \$2,000 a year. He has the substation there; he dispatches thousands and thousands of sacks of mail. In his station under this bill he would get \$2,600. I believe \$2,600 is the maximum. But the Post Office Department put the points so high that no superintendent could reach the maximum. I believe they went as high as 350 points. The bill we have here does make it possible, but it makes the responsibility so large that a superintendent of a large station like Essex would be the only man in the municipality who would ever receive the maximum. Only a few stations throughout the country would reach the maximum salary, \$2,600.

Senator WEEKS. How many carriers do they have at Essex Street?

Mr. HOLLAND. I should say they have 100, very nearly, at Essex Street, and probably 70 clerks. They do an extensive business, as you know. We are rather unfortunate in not being able to get this passed in the House. Owing to the fact that the department recommended the elimination of assistant postmasters, as such, the bill was not reported. In our city we have superintendents of money orders. They haven't put the two-division plan in operation at the present time. The superintendents of money orders get \$3,200; the superintendents of mails, \$3,200. But, to my mind, talking from a personal standpoint, being superintendent of a station, I am interested more in the superintendents of stations; but the chances for promotion are very few, and it seems as though something like this should be done, so that we would be assured that when we were placed in a position we would receive a reasonable increase in salary. I had to work two years at \$1,200, and was made superintendent of a station before I received \$1,300, and after two years more I received \$1,400. That is as far as I can go under the present law.

Senator WEEKS. That postmaster of Dedham has an assistant, hasn't he?

Mr. HOLLAND. I presume he has. Most all postmasters in all cities have an assistant postmaster, and he receives 50 per cent of the salary of the postmaster. He receives more than I do, and I am superintendent of a station, practically the postmaster. My patrons give me the title of postmaster. I am in a suburban district and I am called the postmaster of West Roxbury. That is all I have, the title but not the salary.

The CHAIRMAN. Now, gentlemen, have you anyone else? We have got to bring these hearings to a close very soon.

Mr. HOLLAND. If you will pardon me, Mr. Chairman, I would like to say that we have the indorsement, if it is worth anything, of the postal associations, the National Association of Letter Carriers, and the National Association of Post Office Clerks. They are heartily in accord with us because it means a good deal to them. It means the opening up of a chance of promotion, of which they are all in favor.

Senator WEEKS. You mean to say that frequently superintendents of stations are taken from the letter carriers or clerks force?

Mr. HOLLAND. Yes; mostly from the clerks. It is very rarely that a letter carrier gets a chance. I was one of the fortunate fellows. I was promoted from a letter carrier. But still there are quite a few letter carriers who are promoted, and we are very glad to see them get a chance.

The CHAIRMAN. We are very much obliged to you gentlemen for the information you have given us.

(The bill as amended follows:)

[S. 4806, Sixty-fourth Congress, first session.]

A BILL To reclassify the salaries of employees above the clerical grades in post offices of the first class

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That after July first, nineteen hundred and sixteen, the salaries of employees above the clerical grades in first-class post offices shall be based upon the gross annual receipts of the post offices in which they are employed, as follows:

The compensation of assistant postmasters shall be fifty per centum of the salary of the postmasters, graded in even hundred dollars, but assistant postmasters shall not

be assigned to the duties of superintendent of mails, superintendent of delivery, or superintendent of finance in first-class post offices.

At post offices where the gross annual receipts are \$40,000 but less than \$60,000: Superintendent of mails, \$1,300; superintendent of finance, \$1,300.

At post offices where the gross annual receipts are \$60,000 but less than \$100,000: Superintendent of mails, \$1,400; superintendent of finance, \$1,400.

At post offices where the gross annual receipts are \$100,000 but less than \$150,000: Superintendent of mails, \$1,500; superintendent of finance, \$1,500.

At post offices where the gross annual receipts are \$150,000 but less than \$200,000: Superintendent of mails, \$1,600; superintendent of finance, \$1,600.

At post offices where the gross annual receipts are \$200,000 but less than \$300,000: Superintendent of mails, \$1,700; assistant superintendent of mails, \$1,500; superintendent of finance, \$1,700.

At post offices where the gross annual receipts are \$300,000 but less than \$400,000: Superintendent of mails, \$1,800; assistant superintendents of mails, \$1,600; superintendent of finance, \$1,800; cashier, \$1,600.

At post offices where the gross annual receipts are \$400,000 but less than \$500,000: Superintendent of mails, \$2,000; assistant superintendents of mails, \$1,700; superintendent of finance, \$2,000; cashier, \$1,700.

At post offices where the gross annual receipts are \$500,000 but less than \$600,000: Superintendent of mails, \$2,200; assistant superintendents of mails, \$1,800; superintendent of finance, \$2,200; cashiers, \$1,800.

At post offices where the gross annual receipts are \$600,000 but less than \$750,000: Superintendent of mails, \$2,400; assistant superintendents of mails, \$1,900; superintendent of finance, \$2,400; cashiers, \$1,900.

At post offices where the gross annual receipts are \$750,000 but less than \$1,000,000: Superintendent of mails, \$2,600; assistant superintendents of mails, \$2,000; superintendent of finance, \$2,600; cashiers, \$2,000; bookkeeper, \$1,500.

At post offices where the gross annual receipts are \$1,000,000 but less than \$1,500,000: Superintendent of mails, \$2,800; assistant superintendents of mails, \$2,200; superintendent of finance, \$2,800; cashiers, \$2,200; bookkeeper, \$1,600.

At post offices where the gross annual receipts are \$1,500,000 but less than \$3,000,000: Superintendent of mails, \$3,000; assistant superintendents of mails, two grades—assistant superintendents of mails \$2,400, assistant superintendents of mails \$2,600; superintendent of finance, \$3,000; cashiers, \$2,400 and \$2,600; bookkeeper, \$1,800.

At post offices where the gross annual receipts are \$3,000,000 but less than \$5,000,000: Superintendent of mails, \$3,200; assistant superintendents of mails, three grades—assistant superintendents of mails \$2,200, assistant superintendents of mails \$2,400, assistant superintendents of mails \$2,600; superintendent of finance, \$3,200; cashiers, \$2,600 and \$2,800; bookkeeper, \$2,000.

At post offices where the gross annual receipts are \$5,000,000 but less than \$10,000,000: Superintendent of mails, \$3,400; assistant superintendents of mails, three grades—assistant superintendents of mails \$2,400, assistant superintendents of mails \$2,600, assistant superintendents of mails \$2,800; superintendent of finance, \$3,400; cashiers, \$2,800 and \$3,000; bookkeeper, \$2,200.

At post offices where the gross annual receipts are \$10,000,000 but less than \$20,000,000: Superintendent of mails, \$3,600; assistant superintendents of mails, three grades—assistant superintendents of mails \$2,400, assistant superintendents of mails \$2,600, assistant superintendents of mails \$2,800; superintendent of finance, \$3,600; cashiers, \$2,800 and \$3,000; bookkeeper, \$2,400.

At post offices where the gross annual receipts are \$20,000,000 and over: Superintendent of mails, \$3,800; assistant superintendents of mails, three grades—assistant superintendents of mails \$2,600, assistant superintendents of mails \$2,800, assistant superintendents of mails \$3,000; superintendent of delivery, \$3,800; assistant superintendents of delivery, three grades—assistant superintendents of delivery \$2,600, assistant superintendents of delivery \$2,800, assistant superintendents of delivery \$3,000; superintendent of finance, \$3,800; cashiers, \$2,800, \$3,000, \$3,200; bookkeeper, \$2,400; chief clerk, \$3,000; auditor, \$3,400.

Provided, That there be employed at first-class post offices supervisory clerks and foremen, at a salary of \$1,500 or more per annum, the total number at any post office not to exceed: One at \$1,500 for each \$300,000 receipts, one at \$1,600 for each \$500,000 receipts, one at \$1,700 for each \$750,000 receipts, one at \$1,800 for each \$1,000,000 receipts, one at \$1,900 for each \$2,000,000 receipts, one at \$2,000 for each \$3,000,000 receipts.

18 RECLASSIFICATION OF SALARIES OF POST-OFFICE EMPLOYEES.

STATION SUPERINTENDENTS.

Station and branch station superintendents shall be divided into fourteen classes, whose compensation shall be in even hundreds of dollars, from \$1,300 to not exceeding \$2,600 per annum, in accordance with the following plan:

When the receipts of a carrier station do not exceed \$5,000 per annum, the superintendent shall have a credit of three points, and for each additional \$5,000 in receipts he shall have a credit of one additional point.

For not exceeding three employees (clerks and carriers, city and rural) employed at the carrier station the superintendent shall receive a credit of one point, and for each multiple of three employees he shall receive a credit of one point.

That when the receipts of a noncarrier station do not exceed \$5,000 per annum the superintendent shall have a credit of three points, and for each additional \$30,000 in receipts he shall receive a credit of one point.

Superintendents of noncarrier stations shall receive for not exceeding three employees a credit of one point, and for each multiple of three employees one point.

The salaries to be based and graded as per the following table:

When a superintendent has a credit of not exceeding four points, his salary shall be \$1,300 per annum; over four and not exceeding six points, \$1,400 per annum; over six and not exceeding eight points, \$1,500 per annum; over eight and not exceeding twelve points, \$1,600 per annum; over twelve and not exceeding seventeen points, \$1,700 per annum; over seventeen and not exceeding twenty-three points, \$1,800 per annum; over twenty-three and not exceeding thirty points, \$1,900 per annum; over thirty and not exceeding thirty-eight points, \$2,000 per annum; over thirty-eight and not exceeding forty-seven points, \$2,100 per annum; over forty-seven and not exceeding fifty-seven points, \$2,200 per annum; over fifty-seven and not exceeding sixty-eight, \$2,300 per annum; over sixty-eight and not exceeding eighty points, \$2,400 per annum; over eighty and not exceeding ninety-five, \$2,500 per annum; over ninety-five, \$2,600 per annum.

That in post offices and stations where unusual conditions exist the Postmaster General may provide for the payment of salaries to the employees performing the service the same salary as is herein provided for employees in similar grades in post offices and stations of a higher grade.

That in post offices where there is more than one grade of salary for assistant superintendents and only one official is designated under such title he shall receive the maximum salary.

That because of the reclassification plan herein provided no employee shall receive less salary than before the passage of this act.

That the provisions of this act shall not apply to classified excepted employees in charge of stations.

All acts or parts of acts in conflict with the foregoing are hereby repealed.

Senator TOWNSEND. It seems to me, Mr. Chairman, that if this is going to be given intelligent consideration by the committee, looking toward reporting it, the information you gentlemen have presented here should be put into a little better form. It seems to me you could prepare a statement that would be at least a little more intelligible to me. If the matter were brought up to be discussed, as it would have to be discussed by members of the committee, they ought to have the ammunition with which to fight the battles.

Mr. GREEN. Is there any particular line of information that you would suggest?

Senator TOWNSEND. It has occurred to me—I do not believe that you have gone over this together very carefully. If you have not, it would seem to me that it would be a wise thing for you to get together and prepare your statement. Now, you have listened to several questions which have been asked you here, and you know something about what the ordinary man would like to know, and I do not believe, Mr. Chairman, there would be any objection if these gentlemen prepared and filed a statement with us so that we can look it over.

The CHAIRMAN. We would be glad to have them do that.

Senator TOWNSEND. So that we could see just exactly what they mean.

Senator HARDWICK. Show us exactly why this is a just basis for the increase you want.

Senator TOWNSEND. It is a little nebulous to me.

Senator SMITH of South Carolina. Just reduce it to popular terms, so that in connection with the terms we will know specifically what you want.

Senator TOWNSEND. I have thought for some time there was an inequality there, but I do not know how to adjust it, and I think there ought to be a scientific foundation for this increase or for this gradation of salaries.

Senator CATRON. You gentlemen are in the office and we are not, and we would like to be able to look at it as you look at it.

Mr. HOLLAND. The bill reads here, the plan for station superintendents:

Stations and branch station superintendents shall be divided into 14 classes, whose compensation shall be in even hundreds of dollars from \$1,300 to not exceed \$2,600 per annum, in accordance with the following plan:

When the receipts of a carrier station do not exceed \$5,000 per annum, the superintendent shall have a credit of three points, and for each additional \$5,000 in receipts he shall have a credit of one additional point.

For not exceeding three employees (clerks and carriers, city and rural) employed at the carrier station, the superintendent shall receive a credit of one point, and for each multiple of three employees he shall receive a credit of one point.

Now, I want to call your attention to the fact that it provides also for salaries where there are no carriers (reading):

That when the receipts of a noncarrier station do not exceed \$5,000 per annum, the superintendent shall have a credit of three points, and for each additional \$30,000 in receipts he shall receive a credit of one point.

We do that because there are several of what they call "financial stations." For instance, the south station in Boston. They have a post office there and do an enormous business, but they have no carriers. They sell stamps and issue money orders and take in parcel-post packages. So it is assumed that where the superintendent is in a position to get a large income of money, his responsibility is not so great, because he does not have any carriers.

Senator HARDWICK. What does all this point business mean?

Mr. HOLLAND. It says:

That when the receipts of a noncarrier station do not exceed \$5,000 per annum, the superintendent shall have a credit of three points, and for each additional \$30,000 in receipts he shall received a credit of one point.

Senator HARDWICK. Well, what is the point?

Mr. HOLLAND. When he gets a point—here it is (reading):

When a superintendent has a credit of not exceeding 4 points, his salary shall be \$1,300 per annum; over 4 and not exceeding 6 points, \$1,400 per annum; over 6 and not exceeding 8 points, \$1,500 per annum; over 8 and not exceeding 12 points, \$1,600 per annum.

The CHAIRMAN. Isn't there some way, some term somewhere, that you can substitute for that word "point," so that everybody will understand it?

Senator CATRON. What did you put that in there for?

The CHAIRMAN. Isn't there some substitute you can put in for that?

Mr. HOLLAND. I don't see how we can. It provides that he gets a point by the increase in the receipts and the men.

Senator HARDWICK. The point is based on the receipts and the number of employees, and you have got to combine the two, and you don't know how to do it without calling it something that represents both.

Mr. HOLLAND. It is a combination of the receipts of the station and the number of men under him.

Senator SMITH of South Carolina. Why couldn't you just reduce it to where you would say, if the receipts approximate so much, then you shall have such and such an increase in salary?

Mr. HOLLAND. I think the reason we did that is—I have shown that in the noncarrier stations we made this arrangement because we assume that at the noncarriers stations, where a man simply is selling stamps and issuing money orders, his responsibility is not so great, but he has a chance to increase his receipts; and he would get credit according to the point system by the increase in the money he would receive, whereas it would not increase with the employees, because he would not have any employees, so we combined them. That was the reason.

Senator VARDAMAN. I suppose they are like merit points that they give the boy at school—mark him one point for merit and crosses for demerits.

Mr. HOLLAND. Yes, sir; it is a combination of the increase in business and the increase in employees.

Senator CATRON. You think the officers who have to pass on the accounts know what "points" mean?

Mr. HOLLAND. Yes, sir; the department took this up and thought very kindly of it. In fact they recommended it last year, but not as liberally as we would like to have it. They took up the point question and agreed with us on it.

Senator SMITH of South Carolina. Did I understand you to say that the maximum pay was \$2,600; that you did not expect to reach it? You mean that you put that in as a trading mark in this matter?

Mr. HOLLAND. I made that remark for the reason that very few stations would transact enough business to earn that amount of compensation.

Senator HARDWICK. You brought some trading stock along, did you? [Laughter.]

Mr. HOLLAND. We believe that a compromise is better than nothing, if we can get it.

Senator HARDWICK. So you put it up high enough so that in the compromise you would get what you wanted? [Laughter.]

Mr. GREEN. While a maximum salary of \$2,600 for a station superintendent may appear high to you gentlemen, it is proper to observe that the business at a very few stations will reach the proportions to entitle the superintendent to this amount of compensation.

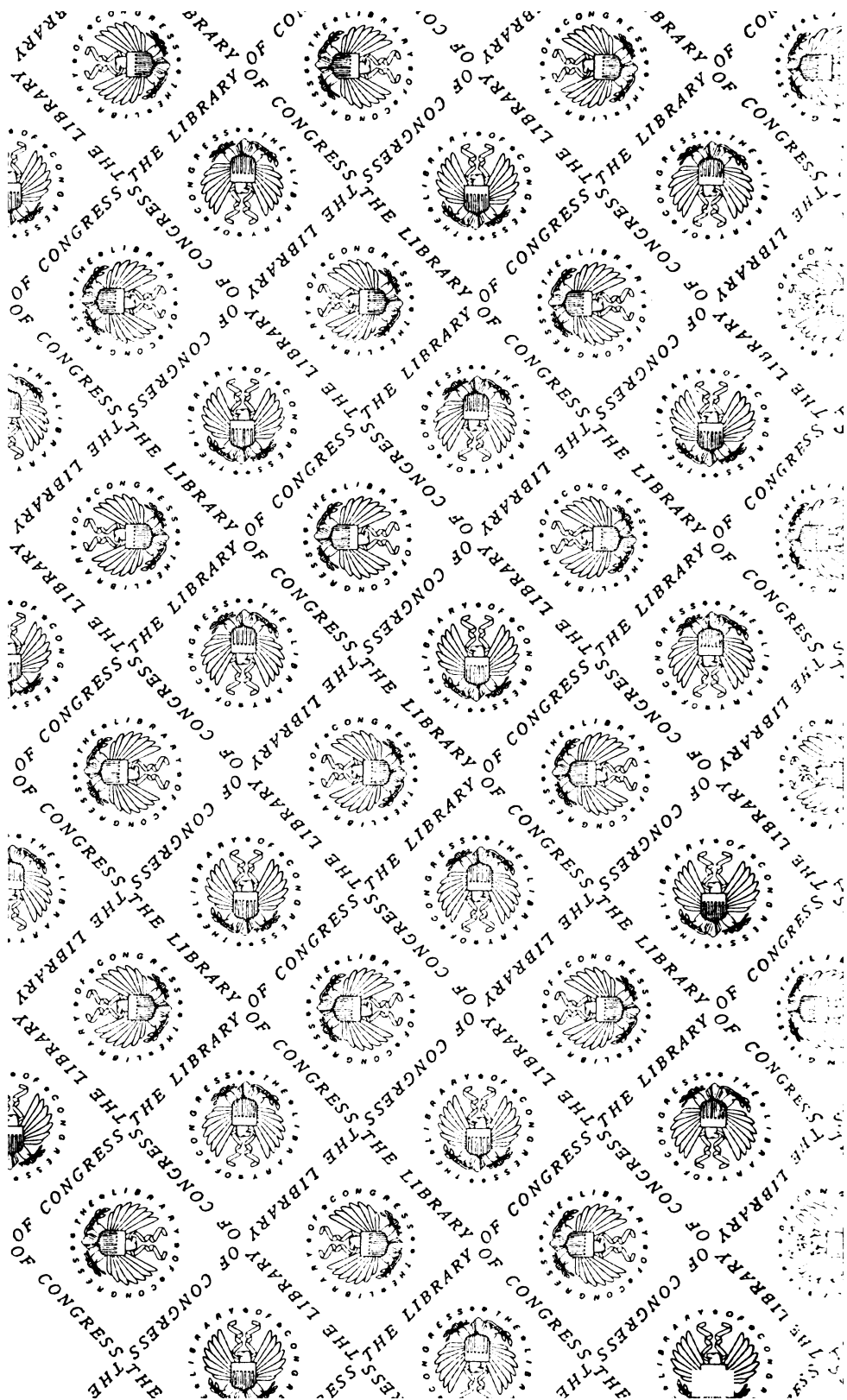
The CHAIRMAN. Now, gentlemen, if you are through, the committee will stand adjourned.

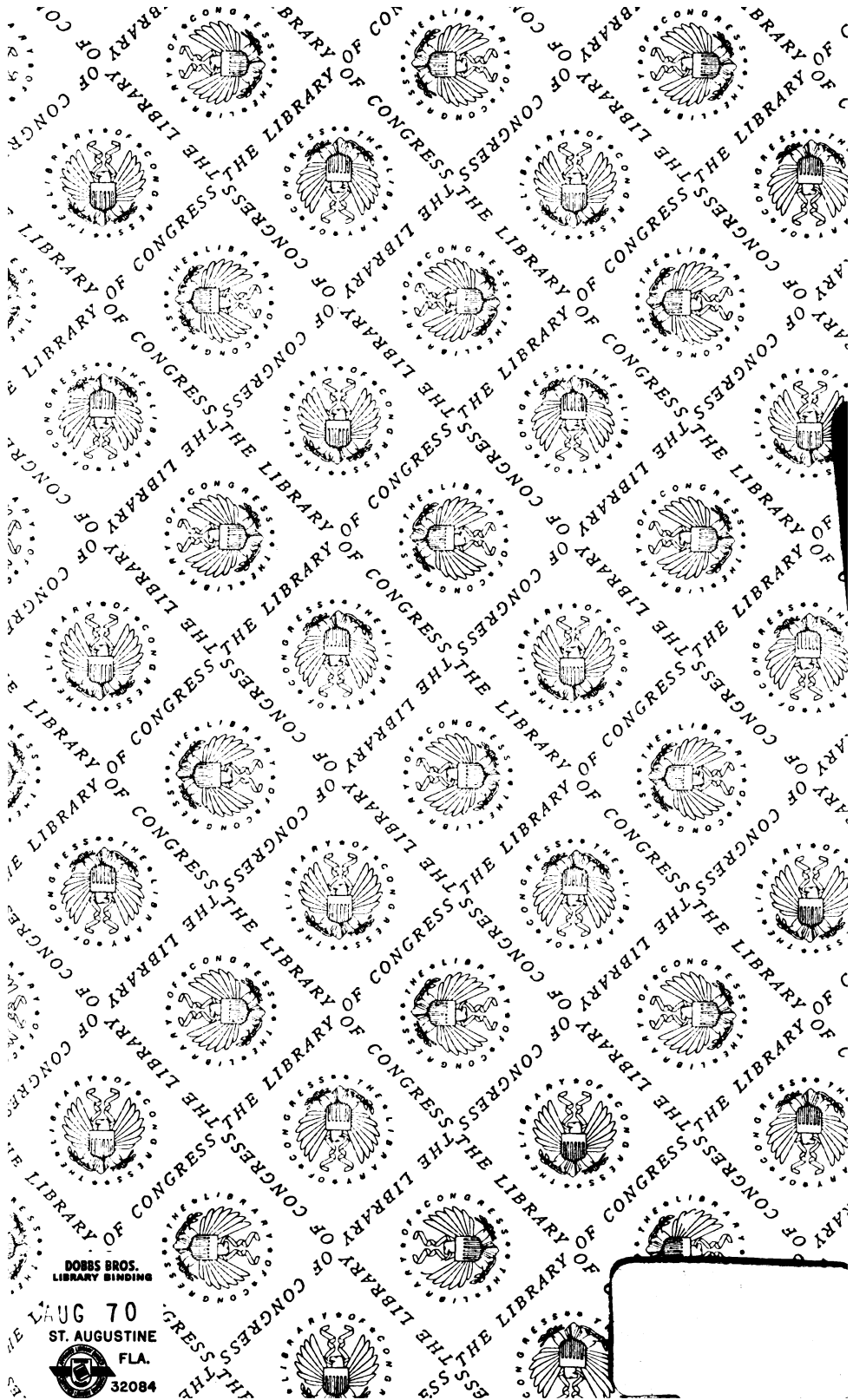
(Whereupon, at 4 o'clock p. m., the committee adjourned.)

P D 4.2.

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